

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF JACKSON COUNTY)
RURAL ELECTRIC COOPERATIVE CORPORATION)) CASE NO. 8415-K
FOR AN ORDER AUTHORIZING A PASS-)
THROUGH OF EAST KENTUCKY POWER WHOLE-)
SALE POWER RATE INCREASE IN)
CASE NO. 8400)

O R D E R

Jackson County Rural Electric Cooperative Corporation ("Applicant") filed its application to flow through any increase in rates granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8400. Applicant is one of 18 member distribution cooperatives of East Kentucky. In Case No. 8400, East Kentucky requested an increase in revenue of approximately \$24,110,886. Of this total increase, Applicant would experience an increase in power costs of approximately \$2,503,453, which represents 10.4 percent of the proposed East Kentucky increase and would result in an overall increase to Applicant's consumers of 18.2 percent.

On December 18, 1981, the 18 distribution cooperatives of East Kentucky filed a motion requesting that they be permitted to deviate from the Commission's filing requirements and to flow through the increase by use of a purchased power adjustment clause promulgated by the Commission. In its order of February 3, 1982, the Commission authorized Applicant to deviate from the

filing requirements and to file certain information deemed essential to the Commission's consideration of the request to flow through any wholesale power increase received from East Kentucky.

Hearings were held on April 27 and 28, 1982, at the Commission's offices in Frankfort, Kentucky. The Consumer Protection Division of the Attorney General's Office, Charles F. Cook of Clark County, Kentucky, and Sarah A. Bowers, Mt. Hermon, Kentucky, were the intervenors of record.

It is the opinion of the Commission that the most equitable method to use in processing the increased power cost for rate-making purposes in this case is the energy adder per metered KWH sales. All of the Applicants except Clark Rural Electric Cooperative and Grayson Rural Electric Cooperative used this method. These two applications have been adjusted to this method.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

(1) The actual increase allowed East Kentucky in Case No. 8400 is \$14,951,106 which will result in an increase in power costs to Applicant of \$1,554,940.

(2) Applicant's financial condition would be materially impaired if it were not allowed to recover the increased wholesale power costs allowed in Case No. 8400.

(3) The revised rates and charges in Appendix A are designed to reflect only the increased power costs from East Kentucky allowed in the final order in Case No. 8400.

(4) The flow-through of the wholesale power costs will not result in any additional net margin to Applicant.

(5) The most equitable method to use in processing the increased power costs for rate-making purposes is the energy adder charge, which should be used to determine the final rates in this case.


IT IS THEREFORE ORDERED that Jackson County Rural Electric Cooperative Corporation is hereby authorized to flow through the increased power costs resulting from the rate increase granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., in Case No. 8400.

IT IS FURTHER ORDERED that the rates in Appendix A shall be placed into effect on the effective date of the East Kentucky wholesale power increase.

IT IS FURTHER ORDERED that Jackson County Rural Electric Cooperative Corporation shall, within 20 days from the date of this order, file its revised tariff sheets setting out the rates and charges approved herein.

Done at Frankfort, Kentucky, this 3rd day of June, 1982.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

AMENDED APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8415-K DATED JUNE 3, 1982

The following rates and charges are prescribed for the customers in the area served by Jackson County Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE 10
RESIDENTIAL, FARM AND NON-FARM SERVICE*

Rate

Customer Charge Per Month	\$4.52
First 650 KWH Per Month	.05611 per KWH
All Over 650 KWH Per Month	.04731 per KWH

Minimum Charges

The minimum monthly charge under the above rate shall be \$4.52 or the amount provided in the contract for service, whichever shall be higher.

SCHEDULE 20
COMMERCIAL, SMALL POWER, AND THREE-PHASE FARM SERVICE*

Rate

Customer Charge Per Month	\$5.00
First 1,000 KWH Per Month	.05751 per KWH
Next 1,000 KWH Per Month	.05601 per KWH
All Over 2,000 KWH Per Month	.05331 per KWH

Minimum Monthly Charge

The minimum monthly charge under the above rate shall be \$5.00 or the amount provided in the contract for service, whichever shall be higher.

SCHEDULE 30
LARGE POWER SERVICE LESS THAN 50 KW*

Rate

Customer Charge Per Month	\$6.00
Demand Charge Per Month	\$3.45 per KW
<u>Energy Charge Per KWH</u>	
First 1,000 KWH Per Month	.05361 per KWH
All Over 1,000 KWH Per Month	.05061 per KWH

SCHEDULE 33
WATER PUMPING SERVICE*

Rate

Customer Charge Per Month	\$10.00
First 10,000 KWH Per Month	.05051 per KWH
Next 40,000 KWH Per Month	.04821 per KWH
All Over 50,000 KWH Per Month	.04461 per KWH

SCHEDULE 40
LARGE POWER MORE THAN 50 KW BUT LESS THAN 275 KW*

Rate

Customer Charge Per Month	\$15.00
Demand Charge Per Month	3.45 per KW
<u>Energy Charge</u>	
First 10,000 KWH Per Month	.04811 per KWH
Next 40,000 KWH Per Month	.04681 per KWH
All Over 50,000 KWH Per Month	.04491 per KWH

SCHEDULE 43
LARGE POWER RATE - OVER 275 KW*

Rate

Customer Charge Per Month	\$30.00
Demand Charge Per Month	3.45 per KW
<u>Energy Charge</u>	
First 150,000 KWH Per Month	.04321 per KWH
All Over 150,000 KWH Per Month	.04161 per KWH

SCHEDULE 50 AND 60
SCHOOLS, CHURCHES AND COMMUNITY HALLS*

Rate

Customer Charge Per Month	\$5.00
First 800 KWH Per Month	.05091 per KWH
All Over 800 KWH Per Month	.04851 per KWH

Minimum Charges

The minimum monthly charge under the above rate shall be \$5.00 or the amount provided in the contract for service, whichever shall be higher.

SCHEDULE SL
OUTDOOR LIGHTING SERVICE - SECURITY LIGHTS*

Rate Per Light Per Month

Mercury Vapor Lamp	175 Watt	90 KWH	\$4.84 per Month
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SCHEDULE 52
ALL ELECTRIC SCHOOLS

Rate

Customer Charge Per Month -	
Includes No KWH Usage	\$10.00
All KWH	.04701 per KWH

*Fuel Cost Adjustment Charge

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.